CITY OF MONCTON

GENERAL SECTION

FINANCIAL STATEMENTS

DECEMBER 31, 1987

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AUDITORS' REPORT

His Worship the Mayor
and Members of the City Council

We have examined the revenue fund, capital fund and related reserve fund balance sheets of the City of Moncton as at December 31, 1987, the revenue fund statement of revenue, expenditure and surplus, the statement of investment in capital assets and the statement of capital financing for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the City as at December 31, 1987 and the results of its operations for the year then ended in accordance with generally accepted municipal accounting principles applied on a basis consistent with that of the preceding year.

Doane Raymond

Moncton, New Brunswick
April 7, 1988

Chartered Accountants

CITY OF MONCTON

REVENUE FUND

STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS

YEAR ENDED DECEMBER 31, 1987

	1987		1986
	Budget	Actual	Actual
Revenue			
Taxes	$24,054,978	$24,054,978	$21,225,765
Unconditional transfers from Provincial Government	15,456,570	15,456,570	14,892,261
Other revenue from own sources	2,570,045	3,113,075	2,669,416
Transfer of surplus	29,070	29,070	46,483
	$42,110,663	42,653,693	38,833,925
Expenditures			
General government	$ 4,045,371	4,018,508	3,559,196
Protection	14,978,864	14,580,530	13,547,931
Transportation	7,077,261	7,722,979	7,008,586
Environmental health and development	1,720,978	1,885,323	1,548,059
Recreation and culture	6,230,585	6,280,016	5,723,436
Fiscal	7,565,696	7,357,423	7,115,135
	41,618,755	41,844,779	38,502,343
Excess of revenue over expenditure		808,914	331,582
Appropriations to reserve and trust funds (Note 2)	491,908	750,000	325,000
	$42,110,663		
Surplus for the year		58,914	6,582
Surplus, beginning of year		35,652	75,553
		94,566	82,135
Transfer to current budget		(29,070)	(46,483)
Surplus, end of year		$ 65,496	$ 35,652

CITY OF MONCTON

REVENUE FUND BALANCE SHEET

DECEMBER 31, 1987

ASSETS	1987	1986
Cash and term deposits	$ 2,949,013	$ 1,643
Receivables (Note 3)	3,377,375	4,517,086
Receivable from		
Capital fund	2,271,685	3,155,843
Codiac Transit Commission	205,536	220,359
Maritime Coliseum - Agrena Commission		177,435
Water and Light revenue fund	2,542,253	698,375
Inventory, at cost	646,517	690,060
Unamortized debenture discounts	364,321	369,891
	$12,356,700	$9,830,692

LIABILITIES AND SURPLUS

Bank indebtedness	$ 2,896,047	$2,022,461
Payables and accruals (Note 5)	6,577,216	5,400,200
Payable to		
City Hall development fund	9,489	9,419
Snow removal reserve trust fund	746,263	681,108
Reserve for land development	699,121	511,597
Machinery and equipment depreciation trust fund	1,286,979	1,162,583
Maritime Coliseum Agrena Commission	65,250	
Sinking funds	10,839	7,672
Surplus (Page 2)	65,496	35,652
	$12,356,700	$9,830,692

Commitments (Note 9)

Contingencies (Note 10)

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

CAPITAL FUND BALANCE SHEET

DECEMBER 31, 1987

ASSETS	1987	1986
Receivables (Note 4)	$ 281,510	$ 311,509
Property and equipment (Note 6)	110,041,402	102,294,270
Assets being retired by revenue fund appropriations	(41,217)	161,189
	$110,281,695	$102,766,968

LIABILITIES AND EQUITY

Payable to the revenue fund	$ 2,271,685	$ 3,155,843
Deferred capital contributions (Note 8)	200,000	
Long term debt (Note 7)	35,468,766	34,889,174
	37,940 451	38,045,017
Investment in capital assets (Page 5)	72,341,244	64,721,951
	$110,281,695	$102,766,968

Commitments (Note 9)

Contingencies (Note 10)

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

CAPITAL FUND

STATEMENT OF INVESTMENT IN CAPITAL ASSETS

YEAR ENDED DECEMBER 31, 1987

	1987	1986
Balance, beginning of year	$64,721,951	$59,377,682
Add:		
Debt retired	3,236,278	3,011,655
Contributions - Federal/Provincial Governments		
Designated highways recovery	696,384	543,823
Stimulation grant	100,000	166,000
Magnetic Hill project	1,818,482	905,778
Traffic signals and crossings	20,404	39,770
Dutch Elm project		189,521
Main Street program - MCBDC	20,229	28,621
City's contributions		
Capital out of current funds	185,345	20,000
Cash in lieu of parking reserve		42,300
Transfers from Machinery and Equipment reserve	777,133	
Other		
Local improvement and branch sewer recoveries	675,538	303,539
Sale of property	15,000	93,262
Other organizations and individuals	74,500	
Balance, end of year	$72,341,244	$64,721,951

CITY OF MONCTON

CAPITAL FUND

STATEMENT OF CAPITAL FINANCING

YEAR ENDED DECEMBER 31, 1987

	1987	1986
Funds provided by		
Capital contributions from other governments	$ 2,655,499	$ 1,873,525
Local improvement and branch sewer recoveries	675,538	303,539
City current fund	185,345	20,000
Cash in lieu of parking reserve		42,300
Kiwanis Club of Moncton Inc.	30,000	40,000
Sale of property	215,000	93,262
Debentures issued	4,000,605	4,700,800
Other organizations and individuals	74,500	
Transfer from Machinery and Equipment reserve	777,133	
Appropriations from revenue fund		
Write off of assets	216,292	781,317
Debt retirement	3,236,278	3,011,655
	$12,066,190	$10,866,398
Funds applied to		
Purchase and construction of capital assets		
Permanent streets	$ 3,371,156	$ 4,711,159
Moveable equipment	795,133	44,363
Real estate	3,531,240	812,663
Storm and branch sewers	49,603	495,735
	7,747,132	6,063,920
Decrease in borrowing from current fund	884,158	1,173,348
Repayment of mortgages	184,736	392,966
Redemption of long term debt	3,236,278	3,011,655
Purchase of assets to be written off to current fund	13,886	224,509
	$12,066,190	$10,866,398

CITY OF MONCTON

REVENUE AND CAPITAL FUNDS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1987

1. Significant accounting policies

(a) Revenue recognition

Major sources of revenue are recorded on an accrual basis.

(b) Expenditure recognition

Expenditures are recorded on an accrual basis. Outstanding commitments for goods and services relating to the current year are accrued at the balance sheet date.

Principal repayments of long term debt are recorded as expenditures when repaid. Interest on long term debt is recorded on an accrual basis. Debenture discounts are written-off on a straight line basis over the terms of the various issues.

(c) Fixed assets

Capital assets and projects in progress are recorded at cost. The City does not record depreciation on its property and equipment consistent with Municipal guidelines. Funds received through capital assistance programs, cost sharing arrangements or loan forgiveness are treated as additions to investment in capital assets,in addition to the principal repayments of long term debt.

(d) Prior year's operating results

Section 89 of the Municipalities Act of New Brunswick requires that the surplus or deficit for a given fiscal year be included in the budget of the second ensuing year.

(e) Financing

It is the policy of the City to charge interim financing costs for annual capital construction projects to current fund fiscal expenditures.

2. Appropriations to reserve and trust funds

	1987	1986
Machinery and equipment depreciation trust fund:		
(a) Amended bylaw 312-6/86 - December 17, 1986	$	$325,000
(b) Amended by-law 312-10/87 - December 23, 1987	750,000	
	$750,000	$325,000

CITY OF MONCTON

REVENUE AND CAPITAL FUNDS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1987

3. Receivables - Revenue Fund

	1987	1986
Sewer construction improvements	$ 91,348	$ 92,029
Local improvements	38,941	120,748
Provincial government	1,000,322	1,095,041
Moncton Industrial Development	730,144	696,392
Resurgo Inc.	206,298	547,254
Federal government	848,940	1,701,595
Other - various	461,382	264,027
	$3,377,375	$4,517,086

4. Receivables - Capital Fund

The City of Moncton entered into an agreement with the Kiwanis Club of Moncton Inc. to pay the net cost to construct the Centennial Beach project. The Kiwanis Club agreed to reimburse the City for this net cost up to a maximum of $400,000 which is to be repaid over a period of 5 years. Should any balance remain unpaid then the City has agreed to extend the period of repayment a further 5 years. Payments received to December 31, 1987 aggregate $75,000 leaving a balance receivable at December 31, 1987 of $281,510.

5. Payables and accruals - Revenue fund

	1987	1986
Accounts payable and commitments	$4,871,592	$3,849,143
Contractors' holdbacks	825,799	660,326
Interest on long term debt	832,640	847,129
Local improvement deposits	47,185	43,602
	$6,577,216	$5,400,200

CITY OF MONCTON

REVENUE AND CAPITAL FUNDS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1987

6. Property and equipment, at cost

	1987			1986
	Fully Funded	To Be Funded By Debentures	Total	Total
Permanent streets	$ 63,880,611	$ 490,491	$ 64,371,102	$ 60,999,946
Moveable equipment	2,515,184	24,363	2,539,547	1,744,414
Real estate	23,681,806	1,521,056	25,202,862	21,671,622
Storm sewers and branch sewers	17,664,189	263,702	17,927,891	17,878,288
	$107,741,790	$2,299,612	$110,041,402	$102,294,270

7. Long term debt

	1987	1986
Debenture debt		
Serials and certificates	$28,800,380	$27,958,058
Sinking funds	5,821,800	5,821,800
	34,622,180	33,779,858
Other		
Municipal Development and Loan Board		130
Winter Capital Project Fund	415,531	459,671
Department of Regional Industrial Expansion	362,835	396,559
Mortgages payable re Magnetic Hill	68,220	252,956
	$35,468,766	$34,889,174

Effective January 1, 1982 the debenture debt, which related to the capital assets transferred to the Codiac Transit Commission, was also transferred.

Effective January 1, 1983 the debenture debt, which related to the capital assets transferred to the Maritime Coliseum - Agrena Commission, was also transferred.

The various long term debt obligations of the Commissions remain the ultimate responsibility of the City of Moncton.

Principal payments required during the next five years are as follows:

1988 - $3,443,529 1989 - $3,553,579 1990 - $3,475,255
1991 - $3,393,277 1992 - $3,024,137

In addition, the sinking fund issue of March 1, 1982 is being provided for annually in the amount of $98,010.

CITY OF MONCTON

REVENUE AND CAPITAL FUNDS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1987

8. Deferred capital contributions

In the year a property previously acquired through the downtown core revitalization program was sold for $200,000. An arrangement was reached between the parties to this agreement that the proceeds are required to be specifically used for a downtown project. These funds have been designated as a source of funding for the new downtown library and will be expended in 1988.

9. Commitments

(a) The City is obligated under a long term lease agreement to pay minimum annual rentals of $269,100 until September 30, 2011 plus escalation costs and taxes. In 1987 this additional amount approximated $160,000.

(b) In 1983 the City initiated a downtown redevelopment project estimated to cost $11,550,000. The cost of the project was being financed by grants from the two senior levels of government totalling $10,000,000. The City's commitment was to provide $1,550,000 in capital funds over the four year period ending in 1987. At December 31, 1987 the City had fully provided its obligation through its capital fund.

(c) In 1984 and 1985 the City entered into various agreements to purchase land for development of Magnetic Hill. The City has committed the remaining amount for these purchases in the 1988 capital budget to cover the cost of land purchased. At December 31, 1987 the land purchases to be provided for in the 1988 capital budget totals $170,375.

10. Contingencies

(a) The City is contingently liable for debentures and other capital debt reflected on the capital funds of the Water and Light Department, the Maritime Coliseum - Agrena Commission and the Codiac Transit Commission.

(b) The most recent evaluation of the Pension Fund by the City's actuaries was carried out as at December 31, 1983. The valuation showed that, based on the stated actuarial assumptions, the book value of the Fund together with future contributions and expected earnings was substantially below the expected benefits payable at that time. This unfunded liability as presented in the actuary's report dated April, 1985 was determined to be $5,303,300. While the report reveals this unfunded liability the actuary also reported that the present rate of contributions to the plan by the City and the employees is adequate to support the benefits provided.

11. The 1987 budget figures presented on pages 2, 18, 19 and 20 reflect those reallocations approved by the City Manager and reported to Council throughout the year. Gross revenues and expenditures are reflected in the statement of revenue, expenditure and surplus.

CITY OF MONCTON

SINKING FUND - '89

BALANCE SHEET

DECEMBER 31, 1987

ASSETS	1987	1986
Cash and term deposits	$2,206,768	$1,211,018
Accrued interest receivable	49,156	62,448
Receivable from City of Moncton revenue fund	9,493	6,413
Investments, at par (Page 13)	1,221,500	1,883,000
	$3,486,917	$3,162,879

EQUITY

Equity, beginning of year	$3,162,879	$2,839,374
Add: Interest earned	324,038	323,505
Equity, end of year	$3,486,917	$3,162,879

This sinking fund was originally established to finance repayment of a $3,500,000 sinking fund issue maturing, November 1, 1989.

The reserve equity includes a surplus of $654,255 in excess of the actuarial requirement of $2,832,662 as at December 31, 1987.

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

SINKING FUND - '97

BALANCE SHEET

DECEMBER 31, 1987

ASSETS	1987	1986
Cash and term deposits	$230,110	$ 38,265
Receivable from City of Moncton revenue fund	1,346	1,259
Accrued interest receivable	17,104	17,475
Investments, at par (Page 13)	532,000	548,000
	$780,560	$604,999

EQUITY

Equity, beginning of year	$604,999	$441,736
Add:		
Annual appropriation	107,300	107,300
Interest earned	68,261	55,963
Equity, end of year	$780,560	$604,999

This sinking fund was established to finance repayment of a $4,000,000 sinking fund issue maturing, March 1, 1997.

The reserve equity includes a surplus of $37,550 in excess of the actuarial requirement of $743,010 as at December 31, 1987.

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

SINKING FUNDS

SCHEDULES OF INVESTMENTS

DECEMBER 31, 1987

Sinking Fund '89

Debentures	Interest Rate	Maturity Date	Par Value
City of Campbellton	13 1/4	December 28, 1992	$ 30,000
City of Campbellton	13 1/4	December 28, 1991	20,000
City of Dartmouth	9 1/2	March 1, 1990	14,000
City of Fredericton	9 3/4	March 1, 1989	40,000
City of Fredericton	9 3/4	March 1, 1990	40,000
City of Fredericton	9 3/4	March 1, 1991	40,000
City of Moncton	9 1/2	April 1, 1989	23,000
City of Moncton	9 3/4	April 15, 1989	32,000
City of Moncton	10 3/4	June 1, 1989	12,000
City of Sydney	10 1/2	January 1, 1989	57,000
Village of St. Joseph	9 3/4	December 15, 1989	31,000
Village of St. Joseph	9 3/4	December 15, 1990	59,000
Village of St. Joseph	9 3/4	December 15, 1991	50,000
La Hetriere-McGinley Sewage Commission	11 (1)	February 8, 1994	123,500
			571,500
Certificates of Indebtedness			
City of Moncton	17 1/4 (1)	August 10, 1989	125,000
City of Moncton	17 1/2	March 1, 1997	250,000
City of Moncton	13 1/4	December 1, 1988	50,000
City of Moncton	11 1/2	July 3, 1989	53,000
City of Moncton	10 3/4 (1)	July 3, 1989	132,000
City of Moncton	12 3/4	October 26, 1988	40,000
			$1,221,500

Sinking Fund '97

Certificates of Indebtedness

City of Moncton	9 - 10%	December 1, 1996	$ 157,000
City of Moncton	9 1/2 (1)	April 1, 1994	150,000
City of Moncton	10 3/4	July 3, 1994	136,000
City of Moncton	11 1/2 (1)	July 3, 1996	89,000
			$ 532,000

(1) Serial type issues with annual redemption.

CITY OF MONCTON

CITY HALL DEVELOPMENT FUND

BALANCE SHEET

DECEMBER 31, 1987

ASSETS	1987	1986
Cash and term deposits	$1,620,926	$1,513,664
Receivable from City of Moncton revenue fund	9,489	9,419
Land	30,000	30,000
	$1,660,415	$1,553,083

EQUITY

Equity, beginning of year	$1,553,083	$1,438,787
Add: Interest earned	107,332	114,296
Equity, end of year	$1,660,415	$1,553,083

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

RESERVE FOR LAND DEVELOPMENT

BALANCE SHEET

DECEMBER 31, 1987

ASSETS	1987	1986
Receivable from City of Moncton revenue fund	$699,121	$511,597
Receivable from Atlantic Peoples Housing		173,711
Land	62,500	
	$761,621	$685,308

EQUITY

Equity, beginning of year	$685,308	$159,786
Add:		
Interest earned	51,698	37,955
Cash received in lieu of land	11,915	487,567
Sale of land	12,700	
Equity, end of year	$761,621	$685,308

This fund represents monies received relative to the subdivision of land and is to be expended at the direction of City Council for acquiring or developing land for public purposes.

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

SNOW REMOVAL RESERVE TRUST FUND

BALANCE SHEET

DECEMBER 31, 1987

ASSETS	1987	1986
Receivable from City of Moncton revenue fund	$746,263	$681,108

EQUITY

Equity, beginning of year	$681,108	$616,124
Add: Interest earned	65,155	64,984
Equity, end of year	$746,263	$681,108

This fund represents monies appropriated for snow removal purposes and will be expended at the direction of Council.

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

MACHINERY AND EQUIPMENT DEPRECIATION TRUST FUND

BALANCE SHEET

DECEMBER 31, 1987

ASSETS	1987	1986
Receivable from City of Moncton revenue fund	$1,286,979	$1,162,583

EQUITY

Equity, beginning of year	$1,162,583	$ 912,908
Less: Equipment purchases	(777,133)	(170,185)
Add:		
Appropriations from City revenue fund	808,026	325,000
Interest earned	93,503	94,860
Equity, end of year	$1,286,979	$1,162,583

This fund was established in 1982 for purposes of providing funds for future purchases of machinery and equipment.

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

REVENUE FUND

REVENUE DETAIL

YEAR ENDED DECEMBER 31, 1987

	1987		1986
	Budget	Actual	Actual
Other revenue from own sources			
Licenses and permits	$ 353,160	$ 642,131	$ 483,768
Fines and fees	325,000	465,677	325,584
Rent	178,580	195,542	174,898
Miscellaneous	24,750	35,867	27,923
Recovery from utility fund	88,380	88,380	88,380
Protection	150,500	157,529	165,658
Transportation	572,084	561,691	546,211
Environmental	125,855	135,204	119,390
Arenas	403,200	442,575	427,451
Other recreational	348,536	388,479	310,153
	$2,570,045	$3,113,075	$2,669,416

CITY OF MONCTON

REVENUE FUND

EXPENDITURE DETAIL

YEAR ENDED DECEMBER 31, 1987

	1987		1986
	Budget	Actual	Actual
General government			
Mayor and councillors	$ 275,890	$ 265,870	$ 271,153
City clerk and city manager	371,462	352,624	355,336
Finance and accounting department	1,008,543	981,268	911,340
Personnel	95,000	77,207	
Solicitors' department	231,953	200,452	212,740
City Hall building	566,731	554,443	545,459
Civic relations	450,290	422,133	419,581
Other administrative services	578,012	712,720	402,234
Grants	467,490	451,791	441,353
	4,045,371	4,018,508	3,559,196
Protection			
Police protection	7,276,094	7,104,399	6,675,703
Fire protection	5,769,786	5,542,362	5,174,110
Water costs for fire protection	1,373,898	1,406,957	1,195,000
Building inspection	358,669	338,326	316,433
Other protective services	200,417	188,486	186,685
	14,978,864	14,580,530	13,547,931
Transportation			
Engineering - administrative	1,098,156	1,106,476	1,117,846
Roads, streets and equipment	3,378,759	4,211,341	3,507,044
Street lighting	1,224,280	1,100,687	1,075,069
Traffic and parking	569,348	497,757	531,016
Public transit subsidy	806,718	806,718	777,611
	7,077,261	7,722,979	7,008,586
Environmental health and development			
Garbage and waste collection	1,106,906	1,275,897	1,128,189
Planning commission grant	132,542	132,542	126,274
Industrial development grant	400,000	400,000	200,000
Tourist bureau operation	1,074	607	14,670
R.R.A.P. program	80,456	76,277	78,926
	1,720,978	1,885,323	1,548,059
Recreation and culture			
Parks and playgrounds	3,623,696	3,638,352	3,284,197
Museum	270,747	284,658	257,599
Library	81,958	82,252	83,108
Magnetic Hill park	421,757	458,834	280,825
Special events	29,800	25,882	15,955
Coliseum - Agrena subsidy	1,259,095	1,259,095	1,288,997
Arenas	543,532	530,943	512,755
	6,230,585	6,280,016	5,723,436

CITY OF MONCTON

REVENUE FUND

EXPENDITURE DETAIL

YEAR ENDED DECEMBER 31, 1987

	1987		1986
	Budget	Actual	Actual
Fiscal			
Interest on short term borrowing (investing) - net	$(597,251)	$(686,977)	$(602,798)
Interest on long term debt	4,474,258	4,355,711	4,291,905
Principal instalments on long term debt	3,539,695	3,539,695	3,280,869
Sinking fund appropriations	148,994	148,994	145,159
	7,565,696	7,357,423	7,115,135
Total expenditures	$41,618,755	$41,844,779	$38,502,343

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

FINANCIAL STATEMENTS

DECEMBER 31, 1987

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AUDITORS' REPORT

His Worship the Mayor
and Members of City Council

We have examined the revenue fund and the capital fund balance sheets of the City of Moncton Water and Light Department as at December 31, 1987, the related statements of revenue and expenditure, the statement of deficit, the statement of investment in capital assets and the statement of capital financing for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly, included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the City of Moncton Water and Light Department as at December 31, 1987 and the results of its operations for the year then ended in accordance with generally accepted municipal accounting principles applied on a basis consistent with that of the preceding year.

Doane Raymond

Moncton, New Brunswick
March 18, 1988

Chartered Accountants

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

REVENUE FUND

STATEMENT OF REVENUE AND EXPENDITURE

WATER UTILITY

YEAR ENDED DECEMBER 31, 1987

	1987		1986
	Budget	Actual	Actual
Revenue			
Water user charges	$3,350,000	$3,368,476	$3,315,688
Fire protection charges - City of Moncton	1,373,898	1,406,957	1,195,000
Interest on consumer accounts	37,500	41,163	158,235
Other	7,500	7,500	7,500
Transfer of surplus (Note 1(e))			588,605
	4,768,898	4,824,096	5,265,028
Expenditures			
Administration	546,484	501,052	512,041
Source of supply	92,803	95,795	120,647
Power and pumping	467,649	429,347	381,487
Purification	173,885	121,995	125,971
Transmission and distribution	1,458,394	1,702,784	1,465,244
Fiscal	2,434,474	2,328,970	2,193,938
	5,173,689	5,179,943	4,799,328
Excess of revenue over expenditure, (expenditure over revenue)	$(404,791)	$(355,847)	$ 465,700

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

REVENUE FUND

STATEMENT OF REVENUE AND EXPENDITURE

SEWER UTILITY

YEAR ENDED DECEMBER 31, 1987

	1987		1986
	Budget	Actual	Actual
Revenue			
Sewer user charges	$1,425,000	$1,455,569	$1,416,411
Interest income	37,500	39,549	25,377
Transfer of surplus			205,380
	1,462,500	1,495,118	1,647,168
Expenditures			
Administration	115,528	108,285	106,300
Maintenance	536,250	462,346	419,762
Fiscal	1,422,903	1,425,665	1,327,186
	2,074,681	1,996,296	1,853,248
Excess of expenditure over revenue	(612,181)	(501,178)	(206,080)
Other:			
Special levy - Sewage treatment	1,819,820	1,844,883	235,632
Sewage Commission allocation	(1,162,844)	(1,162,844)	(776,000)
	656,976	682,039	(540,368)
Excess revenue over expenditure (expenditure over revenue)	$ 44,795	$ 180,861	$(746,448)

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

REVENUE FUND

STATEMENT OF DEFICIT

YEAR ENDED DECEMBER 31, 1987

	1987	1986
Surplus, beginning of year	$ 2,765	$1,077,498
Transfer to current budget		(793,985)
Excess of expenditure over revenue	(174,986)	(280,748)
Surplus (deficit), end of year	$(172,221)	$ 2,765

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

REVENUE FUND

BALANCE SHEET

DECEMBER 31, 1987

ASSETS	1987	1986
Cash	$ 450	$ 450
Receivables	894,049	767,869
Inventory, at cost	195,160	210,390
Prepaid sewer user costs (Note 2)	1,777,950	1,162,844
Deferred debt charges (Note 3)	975,000	
Unamortized debenture discounts	166,587	167,301
	$4,009,196	$2,308,854

LIABILITIES AND DEFICIT

Payables and accruals	$ 373,062	$ 321,834
Payable to Treasury current fund	2,542,253	698,375
Payable to Water and Light capital fund	806,329	1,105,035
Liability for contract holdbacks	459,773	180,845
Surplus (deficit) (Page 26)	(172,221)	2,765
	$4,009,196	$2,308,854

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

CAPITAL FUND

BALANCE SHEET

DECEMBER 31, 1987

ASSETS	1987	1986
Property, plant and equipment (Note 4)	$51,643,124	$48,782,185
Receivable from Water and Light revenue fund	806,329	1,105,035
	$52,449,453	$49,887,220

LIABILITIES AND EQUITY

Long term debt (Note 5)	$20,985,832	$22,128,112
Investment in capital assets (Page 29)	31,463,621	27,759,108
	$52,449,453	$49,887,220

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

STATEMENT OF INVESTMENT IN CAPITAL ASSETS

YEAR ENDED DECEMBER 31, 1987

	1987			1986
	Water	Sanitary Sewer	Total	Total
Balance, beginning of year	$20,204,909	$7,554,199	$27,759,108	$25,026,091
Add:				
Principal debt matured	2,037,242	705,037	2,742,279	1,545,791
Contributions from the Federal/Provincial governments	283,250	441,136	724,386	1,016,061
City of Moncton Current Revenue Fund		5,000	5,000	
Local improvement recoveries	112,368	120,480	232,848	171,165
Balance, end of year	$22,637,769	$8,825,852	$31,463,621	$27,759,108

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

STATEMENT OF CAPITAL FINANCING

YEAR ENDED DECEMBER 31, 1987

	1987	1986
Funds derived from		
Capital contributions from other governments	$ 724,385	$1,016,061
Debentures issued	1,600,000	2,000,000
Appropriation from revenue fund for debt retirement	2,742,279	1,545,791
Local improvement recoveries	232,848	171,165
City of Moncton Current Revenue Fund	5,000	
Decrease in borrowings by the revenue fund	298,706	
	$5,603,218	$4,733,017
Funds applied to		
Purchase and construction of capital assets		
Water system	$2,071,212	$1,556,627
Sanitary sewer system	789,727	780,983
	2,860,939	2,337,610
Redemption of long term debt	2,742,279	1,545,791
Increase in temporary borrowings by revenue fund		849,616
	$5,603,218	$4,733,017

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1987

1. Significant accounting policies

(a) Revenue recognition

Major sources of revenue are recorded on an accrual basis.

(b) Expenditure recognition

Expenditures are recorded on an accrual basis. Outstanding commitments for goods and services relating to the current year are accrued at the balance sheet date.

Principal and interest repayments of long term debt are recorded as expenditures when repaid on specified dates.

Interest on long term debt is recorded on an accrual basis at year end.

Debenture discounts are written off on a straight line basis over the terms of the various issues.

(c) Fixed assets

Capital assets and projects in progress are recorded at cost. The City does not record depreciation on its property and equipment consistent with Municipal guidelines. Funds received through capital assistance programs, cost sharing arrangements or loan forgiveness are treated as additions to investment in capital assets, in addition to the principal repayment of long term debt.

(d) Financing

(i) It is a policy of the City to provide interim financing for annual water and sanitary sewer capital construction. The associated interest costs are recorded as expenditures in the Water and Light revenue fund for projects other than those which have qualified under the Community Services Contribution Program. This Federal government program provides for capitalizing interim financing costs for grant purposes.

(ii) The Community Services Contribution Program also provides for an annual simple interest grant relating to bonds issued for eligible sanitary sewer projects. This annual simple interest grant is received over the life of the issue and serves to reduce debt charges in the current fund annually. In 1987 two such simple interest grants were received totalling $505,912 which relate to two separate bond issues.

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1987

1. Significant accounting policies (continued)

(e) Prior year's operating results

As of January 1, 1987 the water accumulated surplus of $894,575 and the sanitary sewer accumulated deficit of $891,810 were combined into one account for future reporting purposes. The Utility is making charges to its users so as to produce an annual balanced budget. Any surplus or deficit experienced in any year will be transferred to the budget in the second ensuing year and is in accordance with the requirements of the Municipalities Act of the Province of New Brunswick.

2. Prepaid sewer user costs

The prepaid sewer user costs of $1,777,950 represents Moncton's share of costs incurred by the Greater Moncton Sewerage Commission for 1987. User fees are to be levied to recover these costs in 1988.

3. Deferred debt charges

The $975,000 represents a balloon payment which came due April 1, 1987 on a water related debenture issue. The payment was not charged off to operations but deferred until 1988 for refinancing.

4. Property, plant and equipment, at cost

	1987			1986
	Fully Funded	Debentures Issued in Excess of Expenditures	Total	Total
Fixed assets				
Water system	$34,754,532	$ 725	$34,755,257	$32,684,045
Sanitary sewer system	17,694,921	(807,054)	16,887,867	16,098,140
	$52,449,453	$(806,329)	$51,643,124	$48,782,185

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1987

5. Long term debt

	1987			1986
	Water	Sanitary Sewer	Total	Total
Debenture debt				
Serials and certificates	$ 7,925,101	$8,556,292	$16,481,393	$17,487,999
Sinking fund	1,500,000		1,500,000	1,500,000
	9,425,101	8,556,292	17,981,393	18,987,999
Other				
Municipal Development and Loan Board	2,074,313		2,074,313	2,136,405
Central Mortgage and Housing Corporation		238,229	238,229	266,644
Department of Regional and Industrial Expansion	459,463	232,434	691,897	737,064
	$11,958,877	$9,026,955	$20,985,832	$22,128,112

Principal payments required to service existing debt during the next five years are as follows:

1988	$1,849,108	1989	$1,912,531	1990	$1,958,331
1991	$1,912,110	1992	$1,896,427		

The borrowing authorization and liability to debenture holders is vested with the City of Moncton and the liability is assumed by the Water and Light Department.